As the U.S. economy rebounds and private foundation assets grow, hospital and health system fundraisers should proactively integrate grantseeking into their annual and multi-year development plans. This integration is best achieved through coordinated efforts that are facilitated by a strategic planning “blueprint.” When executed effectively, this integrated planning allows fundraisers to leverage new funding streams to increase overall philanthropic income.

This paper details how the addition of strategic grantseeking, alongside traditional fundraising efforts, increases an organization’s ability to effectively finance its operations and plan for the future.
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I. INTRODUCTION

Disruptive health reform policies have fundamentally shifted the healthcare delivery landscape, yielding new and evolving patient expectations, financial incentives, regulatory constraints, and competitive threats. Healthcare organizations must consider new strategies to remain relevant and financially solvent, including adopting new paradigms of change and transformation.¹ In this dynamic environment, sustaining and expanding vital programming requires consistent and diverse funding streams.

While most development directors engage in thoughtful strategic planning to achieve fundraising goals, the importance of strategy and planning for grant funding is less frequently understood or practiced. Comprehensive strategic plans that integrate grantseeking as an active component of resource development allow administrators to orchestrate the timing and focus of finite development resources, clinical provider support, and program staff time.

This paper details how the addition of strategic grantseeking, alongside traditional fundraising efforts, increases an organization’s ability to effectively finance its operations and plan for the future.

II. HOW GRANTSEEKING DIFFERS FROM TRADITIONAL FUNDRAISING

Grantseeking is distinct from traditional fundraising efforts and includes a unique set of processes, goals, and requirements.

A grant represents a formal partnership or contract with a funding agency; as such, it requires a level of detail, planning, and coordination with program staff that goes beyond that required by other fundraising efforts. Most grants are targeted toward particular programs and involve specific institutional commitments to perform activities and produce results; these commitments require that fundraising staff partner with program staff to implement an effective grant development process, from the concept stage through prospecting, cultivation, grantwriting, program implementation, evaluation, reporting, and further collaborative stewardship.

Compared to the cultivation process for an individual donor, a grantseeking cycle may be shorter and the results more definitive. Many foundations solicit proposals through a formalized mechanism by which the agency actively seeks partnerships to award grant funds. The explicit deadlines and award dates of grant programs create a solid timeline for organizations to invest resources toward proposal development and project management. Grant funding mechanisms often occur on a consistent annual schedule, while many foundations with rolling deadlines require a “wait out” period (e.g., one year) after they decline a proposal for funding. These firm parameters and timeframes facilitate strategic planning efforts.

Despite these significant differences, the framework for identifying a grant funding prospect and developing a relationship may appear very similar to that of developing a large-scale donor. For example, a grant request should align with the priorities of the proposed funding agency, and the strongest grant proposals are those presented through existing relationships and networks. Because philanthropic giving relies primarily on human behavior and psychological motivations, we can rely on a robust research basis for prevalent and emerging fundraising strategies based on proven correlations between fundraiser tactics and donor giving. Grant funding, on the other hand, is often determined by the beliefs and motivations of a disparate team of individuals (e.g., staff, board members) who must follow codified protocols and explicit criteria to award a set amount of funding. This standardization of the grant review processes requires grantseekers to rely heavily on a data-driven, fact-based framework while still connecting to a larger ethos to motivate individual reviewers.

Though the elements of a competitive grant proposal are beyond the scope of this paper, Hanover Research recommends that healthcare grant requests be used to support new program start-ups; significant program expansion; or high-profile, community-wide efforts that involve collaborative partners. National grant funders (particularly federal government agencies) will routinely fund “overhead” costs of the specific program being supported, but individual donors tend to give more if funds are guaranteed to provide direct client or patient support. Private donors and regional foundations tend to have stronger personal connections to local hospitals, so they are more likely than national grant funders to support ongoing outreach and patient support programs, routine equipment upgrades, and standard facility renovations.

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3 For additional guidance regarding selecting and developing projects for grant funding, see Hanover Grants Consultants Michael Preuss and Susan Perri’s article, Helping Faculty Differentiate Between the Good and the Fundable, in the December 2014 issue of the National Council of University Research Administrators’ (NCURA) magazine. http://www.hanoverresearch.com/media/GoodVSFundable_Dec2014_NCURAMag.pdf

Grantseeking improves the effectiveness and impact of fundraising efforts by:

- **Elevating a Project’s Profile.**
  Recent research proves that amplifying the gift of a “big name” donor can increase giving across the board. Most grantmaking foundations amplify their brands and promote their giving, so they are effectively big name donors. One study showed that naming the matching donor for a program (in this case, the Bill and Melinda Gates Foundation) increased probability of an individual donating by 22 percent.\(^5\)

- **Generating Evidence and Data.**
  Some donors need only a broad concept to engage, and others want to read the fine print — down to the smallest detail. For those donors who are linear thinkers or who rely on logic to make personal decisions, the data-rich, logical appeals created for grant proposals can be repurposed for more detailed case statements. In addition, since grant funders will often pay “overhead” costs for programs, more private donor funds could be solicited under the auspices of direct program support.

- **Establishing Firm Timeframes.**
  Most grant programs occur in predictable cycles, and award notifications are made by specific dates. As such, the calendar of grant competitions could be coupled with annual activities and giving campaigns to develop a flexible blueprint for interim benchmarks and mapping future staffing and time investments.

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Private fundraising benefits grant proposals and improves success rates for competitive grantseeking efforts by:

- **Demonstrating Sustainability.**
  Most grant funders want applicants to outline a strategy for ongoing program support and sustainability of project impact. A robust fundraising program offers this assurance to grant reviewers, since a private donor base could effectively continue funding a project that was launched through grant funding.

- **Fostering Critical Personal Connections.**
  Many private, family, and corporate foundations require an internal advocate for grant proposals, or they technically do not accept “unsolicited” funding requests. These foundations have board members and staff who are likely connected to private donors who support your hospital. Though a private donor may have exhausted his or her resources for individual support, that donor may be perfectly willing to connect you to a giving foundation board member or hand deliver a proposal request. Even if an internal advocate is not required, foundation proposals are more successful if they are submitted via a familiar champion, current grantee, or other influential individual.

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III. IMPORTANCE OF INTEGRATED STRATEGIC PLANNING

Expert Insight

“Grantseeking and the related scientific and medical findings have increased our philanthropic funding significantly. Donors give more to winners than to whiners. By demonstrating success in securing funding from rigorous peer-reviewed sources, we show that our scientific and medical research is worthy of their support as well. When a potential donor sees that Cincinnati Children’s has secured significant grant funding in the donor’s area of interest, the message is not that we are fully funded. Rather, the message is that Cincinnati Children’s is doing great things in their area of interest. **Grant funding can be used to generate the preliminary results necessary for larger philanthropic support and vice versa.**”

- Kevin Titus, Business Director, Cincinnati Children’s Hospital Medical Center

Given the highly targeted nature of most grant funding, it is important to balance and integrate grantseeking with less-restricted traditional fundraising efforts. Grantseeking and philanthropic giving can complement one another, particularly if they are carried out using a cooperative strategy that effectively leverages the two funding streams to increase bottom-line funding. Strategic planning allows an organization to focus attention, stimulate discussion and debate, promote interaction, track issues, and facilitate consensus.⁶

The healthcare sector has effectively embraced strategic planning principles across divisions and service lines to focus efforts for a wide range of functions and purposes, including marketing, care integration, payer relations, facilities management, and philanthropic giving. Most fundraising foundations align their strategic plans with the larger strategic priorities of the hospital and health system, establish dollar-driven metrics, and then build programs and activities to support their fundraising goals.

However, the dynamic nature of healthcare philanthropy may require a more flexible, integrated approach comprising three primary (ongoing) steps:⁷

1. Identify the stakeholders upon which you depend for success;
2. Recognize what you want from stakeholders; and
3. Recognize what stakeholders want from you.

Rather than a rigid strategic plan, the resulting strategic framework becomes a flexible blueprint that can guide efforts and target resource alignment.

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IV. GRANTSEEKING STRATEGIC PLANNING PROCESS

Though grant funding has different requirements and processes than traditional fundraising, integrated strategic planning can effectively leverage the two funding streams to increase bottom-line funding. The following planning phases provide a logistical framework (i.e., the “why,” “when,” “how,” and “who”) required to operationalize integrated grant development planning.

1. Identify Funding Needs

**Why:** Strong grants are grounded in clearly-defined needs and aligned with institutional mission and vision.

**When:** Identify institutional funding needs at the beginning of each grant planning cycle. Grant planning cycles should be synchronized with development and institution-wide planning and needs assessment cycles.

**How:** Review existing strategic plans and needs assessments. Identify planned innovations, expansions, and new programs that are aligned with institutional mission and community needs. Consult with program staff to determine specific funding needs associated with program planning, implementation, and evaluation. Assess grant-readiness of identified projects, supporting additional program design and planning as necessary.

**Who:** Development staff should work closely with board members and program staff to identify funding needs and assess grant-readiness. Collaborative effort at this point ensures “buy in” during the proposal development process and sets the stage for successful program implementation.

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**Expert Insight**

“Our division at Cincinnati Children’s centers setting goals and priorities for grant funding on two areas: science and financial need. The first area, science, is the central component that drives everything else, either directly or indirectly. We evaluate how developed, pioneering, rigorous, and original an investigator’s work is and also the current stage of the science (e.g., preliminary vs. published). These criteria, and how the science aligns with the goals of potential funding agencies and Cincinnati Children’s, are used to determine whether their work is ready and appropriate for a particular grant application. In terms of financial need, we look at the investigator’s current financial support, when it may be ending, and what will be required to sustain the research or enable it to expand. We then seek grant opportunities to match financial need with the science.”

- Kevin Titus, Business Director, Cincinnati Children’s Hospital Medical Center
2. Prioritize Grantseeking Programs

**Why:** Grant development involves significant effort and staff time. To maximize return on investment, it is important to focus internal efforts on the programs that are most important to the institution and most likely to be of interest to funders.

**When:** Prioritize programs for grantseeking early in each grant planning cycle, and at regular intervals thereafter, as new program needs arise.

**How:** Assign three ratings to each identified funding need or project:

1. **“How important is this project to the institution?”** Consider alignment with mission, vision, and strategic planning, as well as with staff and administrators’ desire to see the program implemented.

2. **“How important is this project to the community?”** Consider alignment with community needs, as well as enthusiasm from partner organizations and community members.

3. **“How important is this project to funders?”** Consider how closely the project aligns with broader grant funding trends, as well as the existence of specific funders with interest in this type of project.

Prioritize projects with high ratings in all three categories. Projects with low ratings in two or three categories should probably not be considered for grant funding. Consider specific prospect research for projects that are important to the institution and the community, but not known to be important to grant funders. Otherwise, consider other sources of support for these projects. **Remember that grant funding in another area may “free up” funds for projects that are not closely aligned with grant funding trends.**

**Who:** Grant-focused staff should work closely with other development staff and board members to prioritize funding needs. Collaborative effort during the prioritization phase will create a holistic understanding of the place of grantseeking in the institution’s overall fundraising strategy, allowing synergy between fundraising and grant development efforts.

3. Develop Community Partnerships

**Why:** Partnerships can mitigate duplication of effort and improve a program’s reach. Grant funders look positively on strong, well-designed, and well-established partnerships.

**When:** Build partnerships as early as possible in the grant development process. The best partnerships are already established when grant development begins.

**How:** Help program staff conduct an “audit” of their current relationships and collaborations. Identify current partners, resources contributed by those partners, their connections, and the roles they each play in related programs. Identify any new partners that may be needed to expand the program or engage in the new endeavor. Develop a plan for approaching new partners that leverages existing relationships. Solicit the input of these partners on the project design, implementation, and evaluation. Maintain records of all collaborator communications, meetings, and forums for use in grant proposals.

**Who:** Program staff should take the lead on partnership identification and development. Grant development staff should provide guidance on structure and function of the partnership to ensure grant competitiveness.

4. Verify Needs Data

**Why:** Grant proposals without strong needs data are not competitive. If no data are available to demonstrate the need for the program, it is best to wait until such data become available to undertake a grantwriting effort.

**When:** Verify needs data as soon as a project has been prioritized for grant funding.

**How:** Collect specific data on negative indicators or poor outcomes that show the target population’s need for the project. Consider internal and external data sources to provide a full picture of the need. Conduct a literature review to provide a rationale for the proposed approach or program model.

**Who:** Grant development staff should work with program staff to gather information and literature.
5. Articulate Program Outcomes

**Why:** Funders award grants based on the potential results of a project. Without clearly defined outcomes, a grant proposal is not likely to be funded. In addition, a clear understanding of a project’s intended results is necessary to establish a good “match” between a project and potential grant funders.

**When:** Articulate outcomes before identifying potential funders for a project.

**How:** Collaborate with program staff to define specific, measurable primary and secondary outcomes of the project. Consider using a logic model to guide the program development process.

- **Primary outcomes** can be directly attributed to the program (e.g., increased knowledge regarding chronic disease self-management, delayed onset of disease compared to routine care, specific clinical improvements to blood pressure or glucose, patient satisfaction).

- **Secondary outcomes** are those that have been proven to be associated with the primary outcomes (e.g., healthier workforce, improved family stability due to financial security, healthier children leading to better academic performance, reduced cost of care).

**Who:** Grant development staff should guide program staff through the process of articulating clear, measurable outcomes for the project.

6. Identify Prospective Grant Funders

**Why:** Each funder has specific goals and needs. Funders award grants to projects that advance their goals and fulfill their needs. Ultimately, the objective of a grantseeker is to partner with a funder to achieve the funding agency’s goals and vision.

**When:** Research funding prospects before beginning to develop a grant proposal. Remember that different funders may require very different information and proposal structure.

**How:** Research potential funders based on alignment with primary and secondary outcomes, as well as the project’s specific target population.

Some funders have very specific goals for their funded programs’ effect on the target population (primary outcomes), while others may look to applicants to develop solutions to broader community challenges (secondary outcomes). Other funders have a broad mandate to benefit a specific target population, independent of the program focus. Prioritize a list of prospective funders based on the strength of the “match” between funder and program needs, as well as practical concerns such as deadlines and funding availability.

Assess timing and competitiveness for specific grant opportunities and/or funders and design a strategy for pursuing funds for the proposed program in the context of the needs of the service line and institution.

**Who:** Grant development staff should do prospect research based on information gathered from program staff.

7. Cultivate Funders

**Why:** It is important to make connections with and gather information directly from targeted funders because published information is not always complete or up-to-date. This process can provide valuable information on funder priorities as well as an opportunity to develop relationships with the funder’s staff members (e.g., program officers) and interest them in the proposed project.

**When:** Make connections with funders before developing a full grant proposal.

**How:** Determine the level of transparency and influence that can be exerted for each funder or opportunity. Research the details of competitions for highly transparent grant competitions. Seek connections with potential advocates to pursue funds from less transparent funders (e.g., analyze hospital boards, professional associations, funding agency staff and board members, and personal networks to identify contacts). Leverage network contacts to identify internal advocates or influencers who can support the request for funding. Reach out to funder program staff or appropriate contacts to initiate dialogue about the program to ensure alignment with funder goals.
clarify expectations, and tailor the program to funding agency specifications and preferences. Utilize any formal mechanisms for approaching the funding agency (e.g., letter of inquiry).

**Who:** Grant development staff should develop a plan to connect with funders; grant development staff and/or program staff may reach out to funders or network contacts, depending on specific needs.

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### 8. Develop and Submit Grant Proposals

**Why:** Grant funders require proposals that provide specific and concrete implementation and outcomes details. Proposals stating general goals without specific details are not competitive.

**When:** Develop detailed proposals after gathering as much information as possible from the targeted funders and leveraging any connection or cultivation opportunities that could position the program at a competitive advantage.

**How:** Establish and implement a timeline for proposal development that includes baseline data collection, collaborator communications, project design meetings, iterative proposal drafts, and finalizing proposal elements. Seek input and approval of an administrative champion for the program. Ensure that any specific administrative requirements are met prior to the submission deadline (e.g., Grants.gov registration).

**Who:** Program staff should drive the grant proposal process by contributing the design and implementation details of the project. Grant development staff can guide and facilitate project design and submit proposals.

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### 9. Respond to Award Decision

**Result — Award:** If awarded, grant program staff should implement the program while grant development staff provide support and liaise with the funder.

- **Implement Program Faithfully:** A grant is a contract. Failure to fully and faithfully implement a program as agreed jeopardizes future funding.

**Result — Decline:** If not awarded, reach out to the funder to request feedback on the reason for the grant decline, then resubmit the grant with changes if indicated.

- **Cultivate Funder:** An initial grant decline may simply indicate that the project is not a good fit for the funder; however, in some cases an initial decline simply provides an opening for further communication and relationship development, ultimately leading to successful grant funding.

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### 10. Continue the Process

An effective grant planning process is active, iterative, and continuous, taking into account the information gathered through the prospect identification, proposal development, submission, and funding processes to “fine tune” grant plans.

Grant development staff should record information learned after every grant development effort, meet with program and fundraising staff on a regular basis to incorporate information into development plans, and keep careful records of all research and communication with funders. Analyzing this information can help to answer the question: **What can you learn that will improve future chances of grant success?** Grant development staff should continue this grant planning cycle in close collaboration with fundraising staff and board members.
## V. GRANTSEEKING STRATEGY IMPLEMENTATION

Hanover Research works directly with hospital and health system foundations to develop strategic grantseeking plans, facilitate prospect identification, and prepare competitive grant proposals. Using the grantseeking strategy framework, the table below outlines how Hanover typically supports the strategic planning efforts of its healthcare partners.

<table>
<thead>
<tr>
<th>Planning Phase</th>
<th>Activities</th>
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| Identify Funding Needs                              | • Using the framework of the hospital’s strategic plan, foundation staff solicits input from program staff within divisions and departments that serve high priority strategic goals.  
• Hospital program staff is asked to provide draft budgets for requested funds and connect their programs and/or funding requests to the broader strategic goals of the hospital. |
| Prioritize Programs for Grantseeking and Develop Community Partnerships | • Hanover consultants meet with each team to discuss data capture and program evaluation capacity, the scope of existing programs, and the division’s current and evolving community partnerships.  
• Applying prioritization methodology, Hanover and the hospital foundation identify several high priority and secondary priority projects.  
• Hanover works with the high priority teams to identify sectors and types of service agencies that should be approached to solidify or establish critical partnerships. |
| Verify Needs Data                                   | • Hanover reviews the Community Health Needs Assessment and other datasets focused on the health, socioeconomic status, and demographics of the target population.  
• Hanover’s research team conducts a literature review to guide program design and provide rationale for the proposed approach.  
• Hospital program staff mines aggregate patient data to identify trends and establish baselines for program benchmarking. |
| Articulate Program Outcomes                         | • Hanover provides advice regarding the generally accepted sources and expected specificity of outcome data and program evaluation efforts based on the program being developed or expanded.  
• Program staff consults with collaborative partners to identify feasible primary outcomes for the proposed project.  
• Hanover provides assistance to connect primary outcomes with secondary outcomes based on established literature. |
| Identify Prospective Funders                        | • Hanover’s research team identifies prospective funders, while a Hanover consultant reviews prospects with hospital foundation.  
• Based on timeframes of submission deadlines and progress of individual projects, Hanover recommends a flexible blueprint for grantseeking activities over the next six to 12 months. |
<table>
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<tr>
<th>Planning Phase</th>
<th>Activities</th>
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| Cultivate Funders             | • Hanover provides data on funder trustees and stakeholders.  
                                • Hospital foundation and program staff search for connections between hospital stakeholders and the prospective funding agencies.  
                                • Hanover reviews existing publications and guidance to determine specific preferences, direction, and priorities of the prospective funders.  
                                • Hanover and foundation staff advise program staff regarding the prospective funder priorities and suggested method of approach. |
| Develop and Submit Grant Proposals | • Hanover works directly with program staff to develop written proposal documents, providing iterative drafts to key foundation contacts, administrators, and/or program staff.  
                                • Foundation staff ensures that an appropriate administrative champion exists to promote and supervise the proposed project, if funded.  
                                • Program staff provides evidence of collaboration with community-based organizations (e.g., meeting calendar, minutes, letters of support)  
                                • Foundation and/or hospital finance contact submits final proposal to prospective funding agency. |
| Result—Award                  | • Foundation staff amplifies award through media outlets and stakeholder networks.  
                                • Foundation staff leverages grant award to pursue philanthropic giving targets by communicating the award amount and purpose, along with funder name, to prospective and existing donors.  
                                • Foundation staff works with hospital accounting or finance staff to ensure that program staff has sufficient training and support to successfully manage grant funding and adhere to funder reporting schedule. |
| Result—Decline                | • Hanover reviews funder feedback to determine whether a resubmission or re-approach would be fruitful.  
                                • If re-approach is recommended, Hanover provides scripting for making contact with funding agency staff. |
| Continue Grant Planning Cycle | • Hanover consults with foundation staff to integrate lessons learned during the proposal development process into the overall grantseeking strategy blueprint.  
                                • Hanover and foundation staff work together to keep implementation of grantseeking blueprint on track. |
VI. CONCLUSION

As hospitals and health systems seek to adapt to the new landscape of market drivers, payment models, incentives, and penalties, recent research and evolving best practices are influencing the future of government spending, competitive grant programs, and philanthropic foundation investments. Formal grant programs give donors and policy advocates considerable control over how investments are used and articulate explicit expectations regarding impact and outcomes.

As these formal giving mechanisms become more sophisticated and demanding, development officers will need to approach grant funding opportunities in a focused and strategic way. This integrated approach to development has the potential to maximize efficient use of resources, amplify existing fundraising efforts, and yield increased revenues over the long term.

About the Authors

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Rebecca has more than a dozen years of experience developing winning programs and proposals for community organizations, educational institutions, providers of health and human services, and local governments. She is especially experienced with DOJ, HUD, HHS, ED, NSF, and private foundation grants. Rebecca is an expert at managing team-based development of complex proposals, synthesizing information from many sources to craft unified, compelling narratives. She has particular expertise in health and social services delivery, medical education, youth development, food and nutrition programs, and program implementation in rural areas.

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Teresa is a Senior Grants Consultant specializing in health services for underserved communities, chronic disease management, disruptive innovation in service delivery, rural health networks, population health management, health career pipelines, nursing education, and facility renovations. Before coming to Hanover, she served as the director of sponsored programs at a large regional public university, as well as a coordinator of an NIH-funded research center. Prior to these roles, she worked in several federal agencies and executive departments, including the White House, HUD, and the EEO Commission. Teresa leverages this policy background to monitor, analyze, and forecast federal grant opportunities and recognize healthcare funding trends. Teresa has secured over $37 million in foundation, state government, and federal grant awards and also serves as a HRSA peer grant reviewer.
Hanover Research is a global information services firm providing knowledge support to both non-profit and for-profit organizations. Hanover works with a diverse group of healthcare organizations, supporting their grantseeking, capacity building, and funding needs through comprehensive grant proposal development. Through our unique, fixed-fee model, we help organizations overcome challenges that impede their ability to identify viable funding opportunities, create compelling and sustainable program concepts, attract external funding, and report performance outcomes.

To learn more about Hanover Research, call 202.559.0050, e-mail info@hanoverresearch.com, or visit our website at www.hanoverresearch.com.